

The Trustee's Corner

I'd like to thank you all for the excellent feedback we received over the past few weeks regarding our debut issue of the Life Partners Position Holder Trust (PHT) newsletter. We've incorporated some of that feedback in this month's issue and ask that you continue to share your ideas with us about how this communications tool can be more useful to you.

There are some important items that we began sending to LPI investors in June. First, we began making payments to Continuing Fractional Holders. We anticipate that we will clear the backlog of CFH payments in July. As a reminder, the PHT cannot pay investors who have not sent in a W-9.

Second, in June we began sending out bills for the premiums that are due on life insurance policies owned by investors in the Cash 1 and IRA 4 options. If you receive a bill from us, it's essential that we receive your payment prior to the specified due date. An investor who fails to pay a premium bill will be deemed to have contributed their ownership interest to the PHT pool.

You can read more about each of these items in more detail later in the newsletter.

I hope that you will find the articles in this month's newsletter to be informative. If you have a suggestion of useful content for future issues, please email us at trustee@lpi-pht.com.

Sincerely,
LPI POSITION HOLDER TRUST
Eduardo S. Espinosa
Trustee

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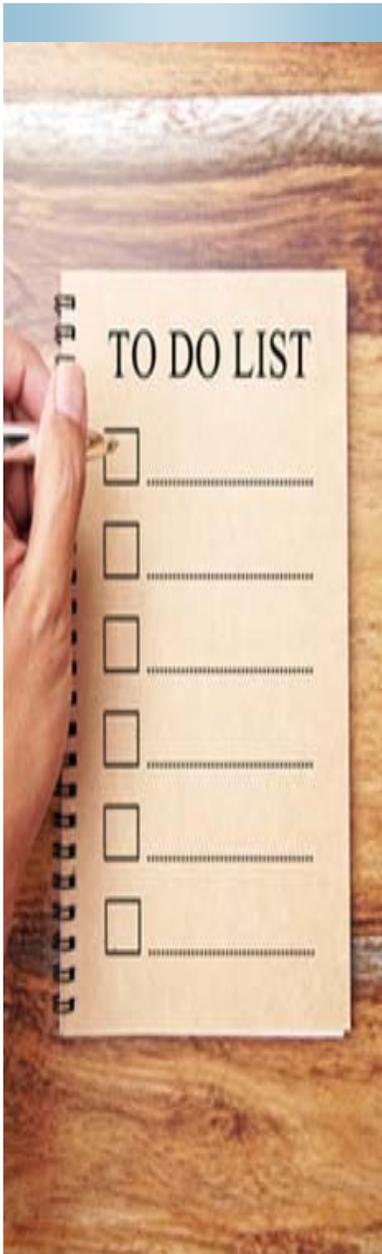
Upcoming Events

- **July 14th**

3rd Quarter LPI PHT Investor Webinar to be hosted
- **July 27th**

July 2017 LPI PHT Newsletter to be published
- **August 20th**

August 2017 LPI PHT Newsletter to be published



Action Items—What do we need from you?

- If you have received a check from us for a matured investment, please cash it as soon as possible. These checks may become “stale” after 60 days.
- Review the account statement you will receive next month regarding your ownership interests in the PHT and/or specific policies. Please contact us right away (trustee@lpi-pht.com) if you identify anything in your statement that you feel is inaccurate.
- Pay the premiums on the policies you own as reflected in the annual bill we will be sending to investors in the Cash 1 and IRA 4 options. Please do not send a partial payment and please do not delay beyond the 60-day payment window you will be provided. We must receive your payment in full **no later than the specified due date** or your ownership rights will automatically be transferred to the Pool option.
- Update your contact information with the servicer (custsrv@magnaservicing.com) to confirm that we have your correct address on file.
- If you have not done so already, send a current IRS Form W-9 or IRS Form W-8BEN to the PHT at the following address:

Magna Servicing, LLC

P.O. Box 23226
Waco, TX 76702
custsrv@magnaservicing.com

- If you did not receive this newsletter directly – or prefer that we use an alternative email address – please let us know by emailing the servicer (custsrv@magnaservicing.com) to let us know.

Trust Update

In early-June, H. Thomas Moran, II, Trustee for Life Partners Holding, Inc., filed the final documents with the U.S. Bankruptcy Court to certify the “substantial consummation” of the LPI Plan of Reorganization. This means that substantially all of the property covered under the plan has been transferred, the successor trusts created by the plan are up and running, and distributions under the plan have begun. Mr. Moran has now completed his involvement in the reorganization of LPI and has exited the process.

Trust Update Continued

CFH Distributions

The PHT began making distributions to Continuing Fractional Interest Holders in June. As of May 31st, there were 37 maturities since the effective date of the plan and the PHT has received payment on 27 of them. In June, we made distributions to investors on the following 14 policies:

Policy ID	Policy ID	Policy ID
8993	22409	60993
8994	25115	75323
8997	31203	84232
10655	33462	84233
16526	33464	



We're working as hard as possible to issue payments to investors who have ownership interests in life insurance policies that matured. Please understand that we're generally paying out these maturity proceeds on a "first in, first out" basis – which means we will process distributions in the order in which the PHT received the payments from the insurance company. In order to process payments more quickly, however, the PHT has skipped over certain policies where there is still uncertainty as to the proper payees.

We anticipate that the PHT will be able to complete distribution on the remaining 13 policies in July. After we work through this initial backlog of matured policies, we expect to be able to make distributions within 45 days of our receipt of payment from the insurance companies.

There are still a number of investors who are due money from these policies but whom we cannot pay because they have not sent in W-9s. The Plan forbids the PHT from making payment to any cash investor who has not submitted a W-9 (or a W-8 for foreign investors).

Premium Invoices

The PHT will be sending premium call invoices out in early-July. This is the first set of invoices under the new premium call procedure approved by the Court in April. Instead of sending invoices in June and December only, the PHT will now be spreading the invoices over the entire year. We will continue to bill each policy only once per year. Payments are still due in 60 days from the date of the invoice. This means that payment must be received by Magna on or before the 60th day.

Pardo Trial

The Creditors' Trust won its case against Brian Pardo. The jury found that Pardo committed fraud while running Life Partners prior to the bankruptcy, awarding about \$65 million in damages. Specifically, the jury found that Pardo had committed fraud, breached his fiduciary duty to Life Partners and engaged in the fraudulent transfer of assets from LPI to himself and entities he controlled. The trial was held before United States District Judge Reed O'Connor in Fort Worth. It lasted six days and the jury deliberated for a day and half before reaching its verdict. Judge O'Connor is expected to enter a judgment based on the jury verdict after considering motions from both sides to adjust the amount awarded. The Creditors' Trust was represented by a team of lawyers from Thompson & Knight.

Frequently Asked Questions

Here are brief answers to some of the frequently asked questions (FAQs) we've received in the past month:

Q: Why do you need a Form W-9 from me?

A: A W-9 is required so that the PHT can report to the IRS any payments made to you. The Internal Revenue Code and IRS regulations require that the PHT collect Forms W-9 from anyone to whom it pays money (other than IRAs). The PHT will use the information on the Form W-9 to prepare the Forms 1099 (for CFH holders), grantor trust statements (for PHT interest holders) and Schedule K-1s (for IRA Partnership interest holders) that it will file each year with the IRS.

Q: What happens if I don't send you a W-9?

A: Please note that the requirement to provide a W-9 applies to cash investors only; IRA holders do not need to provide W-9s. The PHT cannot pay you if you do not provide a W-9. You will have one year from the date of any payment that would otherwise have been paid to you to provide the PHT with a W-9. If you fail to provide the W-9 within one year, then that payment will be forfeited.

Q: Why is Epiq requesting my W-9 if they are not distributing any funds?

A: The Creditors' Trust has engaged Epiq to gather the W-9s that it needs. While the two trusts are coordinating the requests for W-9s in order to avoid asking investors for multiple W-9s, some overlap is inevitable.

Q: I'm an IRA holder, why does Magna need a W-9 from me?

A: Magna does not need W-9s from IRA holders. As a cost reduction measure, the PHT requested W-9s at the same time that we informed all of the investors of the Court's ruling on the motion to modify the Plan. The letter we sent to all investors noted that IRA holders did not need to provide W-9s.

Q: Can you provide me with a valuation of the PHT or IRA Partnership interests that I hold for tax purposes or RMD purposes?

The PHT cannot provide you with a definitive value of your interest. You should consult with a tax professional to determine how you should value your interests. We can, however, direct you to some information that may be helpful to you and your tax professional.

First, as part of the Plan, the Court valued each investor's claim at the amount shown for that investor on Schedule F, which is an estimate of each investor's cost for his or her positions as of May 2015. Investors traded their claims for the New Interests (the CFH interests, the PHT interests, the IRA Partnership interests and the New IRA Notes) created by the Plan. Taking this information as well as the likely payout as shown in the Disclosure Statement, your tax professional can assist you in calculating a value for tax purposes.

Second, the Trustee is in the process of registering the PHT interests, the IRA Partnership interests and CFH certificates with the SEC. As part of this process, the Trustee will file audited financial statements for the PHT and the IRA Partnership. Thereafter, the Trustee will file annual and quarterly reports for each entity. The financial statements filed by the Trustee will provide information as to the current value of the PHT's assets and the number of outstanding units. Once the registration becomes effective, your tax professional can use that information to assist you in calculating a value for tax purposes.

Questions and Updates

We routinely post updates and new information on www.LPI-PHT.com. Moreover, prior communications including copies of this newsletter and the Trustee's prior webinars are available for download on the investor communication tab. We encourage you access the website as a primary reference source.

We're happy to answer any additional questions you may have. Please note that it's likely you will receive a faster response if you contact us by email.

Frequently Asked Questions Continued

Q: In addition to regular mail, can you also send my premium invoices by email?

A: Unfortunately, we cannot do so. Magna processes thousands of invoices each month. The only way to do so efficiently is to treat each invoice identically. Magna cannot provide special handling for any investor. While the PHT may do so in the future, there are no current plans to create an electronic billing and payment system.

How to Contact Us

For questions regarding your individual account, please contact:

Magna Servicing

P.O. Box 23226

Waco, TX 76702

Phone: 800-368-5569

Email: custsrv@magnaservicing.com

For questions regarding the administration of the Plan of Reorganization, please contact:

Eduardo Espinosa, LPI PHT Trustee

1717 Main Street, Suite 4200

Dallas, Texas 75201

Phone: 214-698-7893

Email: trustee@lpi-pht.com